C5150-2

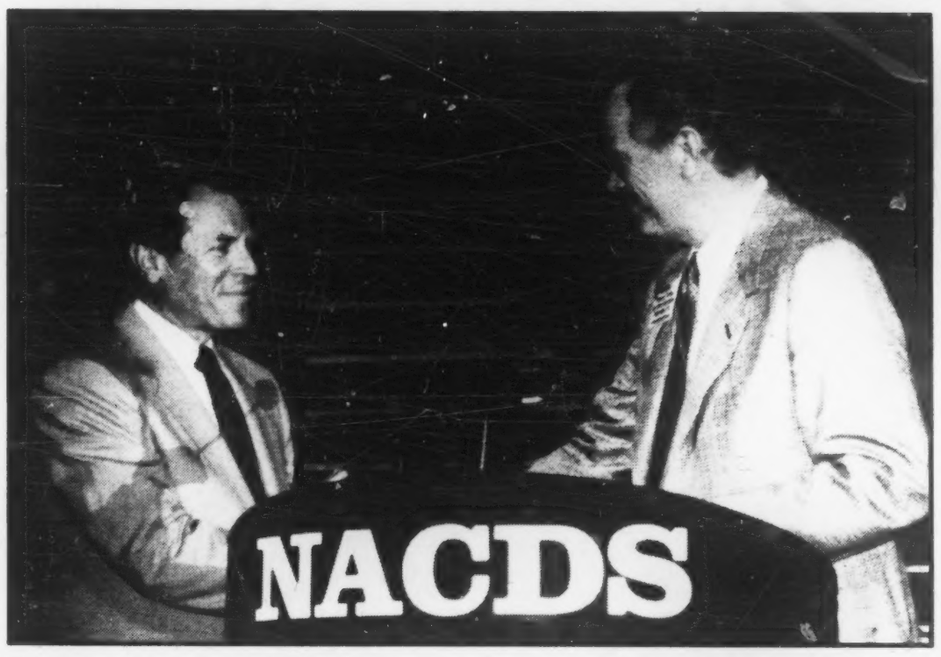
Rite Aid sues Grass accuser over charges

—See page 2

DRUG STORE NEWS®

SECOND CLASS

Vol. 11/No. 11 **Our 61st year of serving chains, wholesalers and high-volume independents** Published by Lebhar-Friedman Inc. May 29, 1989



Stewart Turley of Eckerd (r) passes the chairmanship mantle to Jerry Heller of May's at recent NACDS Annual Meeting.

Pay 'n Save parent's retailing future rosy

Stockholders told diversification helps

LOS ANGELES — In assessing Pacific Enterprises' takeover of Pay 'n Save and Bi-Mart, chairman and ceo Paul Miller and president James Ukropina told shareholders at the annual meeting that operations are "beyond our top expectations," Pay 'n Save stores climbed into the black in the latest quarter, and 1989 would be a period of digestion.

Miller said the $234 million acquisition, along with purchases, "have always been a key part of the company's strategy and. . . a critical element in our business' success."

He noted that retail diversification by the utility company helps it to weather economic and regulatory changes. "Our main objective, as it has been for years, is to continue to grow," Miller stated.

He was pressed into his apparent defensive posture since Pacific Enterprises reported 1988 net earnings fell to $222 million from $251 mil-

See **Pacific,** *page 21*

NACDS's Heller seeks 'fair shake' from government

PALM DESERT, Calif.— With the bang of the gavel and a promise to bind together NACDS membership through training, education and productivity, Jerry Heller, president and ceo, May's Drug Stores, officially started his 1989–90 reign as NACDS' chairman of the board.

Emphasizing that he represents a small chain (26 stores based in Tulsa), Heller said that among his many goals as NACDS chairman was a commitment to getting a "fair shake from government" for both large and small chains. In making his comments, he used the newly-passed Medicare Catastrophic Bill as an example. "We will fight for a fair and reasonable reimbursement on Medicare prescriptions," said Heller.

While the passing of the gavel to Heller from former NACDS chairman Stewart Turley marked the beginning of Heller's term of office, it also brought to an end the 1989 NACDS Annual Meeting that was reported to have broken all previous attendance records.

Approximately 2,300 industry execs and spouses attending the meeting had the opportunity to exchange business ideas, attend social and sport functions or just bask in the hot desert sun around the hotel's spacious pool.

Attendees were also treated to several stimulating general sessions that featured presentations from such digni-

See **NACDS,** *page 21*

McCormick Place was site for FMI's meeting.

Bigger Rx, H&BA role for food stores?

Non-food interest grows at FMI meet

By James Frederick

CHICAGO — If the latest annual meeting of the Food Marketing Institute is any indication, supermarket retailers are looking harder than ever at prescription drugs, H&BAs and other non-food categories as ways to boost profits and wrest market share away from drug chains.

In an atmosphere rife with concerns about pesticide scares and two-tier pricing, the FMI's 1989 Supermarket Indus-

See **FMI,** *page 21*

"A pharmacy adds character and personality to a food store," noted McKesson's Eugene Bannon.

LATE NEWS

• CINCINNATI — Kroger said it plans to open 35 grocery stores a year between now and 1991, down from a pace of 65 annually earlier in the 1980s, Dow Jones reported. The chain will instead double its remodeling efforts to about 270 stores over the period. Kroger attributes the change to its $4 billion debt burden, which stemmed primarily from last year's massive restructuring to block a takeover bid.

• VICTORVILLE, Calif. — Longs Drug Stores is set to test a new store interior design here in late July, which sports new shelving and graphics. The 25,000-square-foot store in this high desert community will have a "softer look," a chain spokesman said.

• LIVERPOOL, N.Y. — Fay's Drug Co. reported a 48-percent increase in net earnings, to $1.36 million, in the first quarter ended April 30, compared with $916,000 in the same period a year ago. Revenues climbed 7 percent, to $131.1 million, from $122.4 million in the year earlier quarter, the chain said.

Bergen plans nationwide TV ads for its Good Neighbor program

By Pamela Krein

ORANGE, Calif. — In an unprecedented move for the giant drug wholesaler, Bergen Brunswig plans to take to the national television airwaves later this year to support its voluntary Good Neighbor Pharmacy program.

Bergen has run regional commercials, but has never before produced a nationwide television campaign for the program. While the move is a Bergen first, the scope and depth of the television support is also reportedly an industry first.

> *The scope and depth of the television support is reportedly an industry first.*

Expected to break around the third quarter, the commercials will run on Cable News Network news and health-related shows throughout the day, vp-merchandising Tom Allison told *Drug Store News*. Institutional commercials, they will focus on the benefits of a Good Neighbor Pharmacy, Allison said. Currently, Bergen has 700 stores throughout the country participating in the voluntary group that began in 1972.

Allison estimated that the commercials, which will be funded jointly by Bergen and the Good Neighbor Pharmacy stores, will make 186 million

See **Bergen,** *page 21*

NEWS IN BRIEF

NACDS endorses fairness statement

PALM DESERT, Calif. — A first for the organization, NACDS is now actively involved in the endorsement of an Inter-Industry Fairness Statement that seeks to establish voluntary grocery product availability guidelines.

Aimed at the manufacturing and distribution sectors, the statement issued here at the recent NACDS annual convention calls for an end to "class of trade" pricing and promotion discrimination. The guidelines ask manufacturers to make available to all retailers any special prices, terms, promotions, deals or packing designs.

The Inter-Industry Fairness statement is just one portion of the Trade Practice Guidelines for the Retail Industry, which are currently under revision and expected to be completed by 1990.

Bartell readies 100-year celebration

SEATTLE — Aggressive television, radio and billboard advertising will be key to Bartell Drug's 100-year celebration, set to kick off in January. The 31-store chain based here is currently working with vendors to establish a full year-long marketing and promotional program. Early plans call for a "100 years thanks to you" campaign that will pay tribute to customers, employees and vendors.

Perry hosts health care show

FLINT, Mich. — Perry Drug Stores' ComfortCare division hosted a trade show featuring medical equipment and supplies for hospitals, doctors and other health care providers here May 12. The show drew more than 70 manufacturers.

The ComfortCare operation sells and leases home health care products, wholesale medical supplies and other equipment. It also operates clinical laboratories.

Newest A.L. Price store debuts

OKEMOS, Mich. — Perry Drug Stores opened its 15th A.L. Price deep-discount H&BA store here recently, marking its fourth store in the Lansing market. The 17,000-square-foot off-pricer is Perry's second in the area.

Drug Mart adds 2 stores, roster now 8

DES MOINES, Iowa — Drug Mart, the largest locally-owned drug chain here, has added two stores, increasing its roster to eight.

The chain recently purchased two 2,800-square-foot independents that were formerly Union Prescription Center stores. Together, they generate $600,000 annual sales, raising Drug Mart's annual volume to $4.5 million. It holds about a 20 percent share of the metro market against such competitors as Walgreens, K mart and Wal-Mart's Dot, president Jim Spratt told *Drug Store News*.

He described Drug Marts as a cross between a corner drug store and an apothecary, ranging in size from 1,800 to 4,500 square feet.

Arbor Drugs opens its 86th store

TROY, Mich. — Arbor Drugs opened its 86th store here May 8, in Newberry Square Plaza, Walled Lake. The 10,220-square-foot unit is the fifth of 10 openings Arbor plans this fiscal year.

"We are most pleased to be opening another location in western Oakland County," Eugene Applebaum, president, said. "This expansion is in response to our customer surveys requesting addition Arbor locations in this market."

Forbes Magazine recently ranked Arbor 88th among the top 200 Best Small Companies in America.

IN THIS ISSUE

Beauty Trends

Ethnic merchandising 11
Beauty Beat 19

Pharmacy

Congress schedules multi-tier pricing hearings 23
Cohen's Capsules 23
Planograming by Perfor mance 25

Departments

Midwest Report 2
Ads and Promos 4
Opinion
In the Market 6
Washington Perspective .. 6
Technology Updates 22
Finance 26

Rite Aid sues consultant over Grass bribe charges

CLEVELAND — Rite Aid charged that a former Peoples Drug Stores employee initiated meetings with president Martin Grass and then schemed to have Grass arrested for bribery.

In a lawsuit filed May 17 in U.S. District Court here, Rite Aid alleged that the former Peoples employee, Melvin Wilczynski, falsely claimed to the press and investigators that Grass had initiated meetings in April at which Wilczynski's employment with Rite Aid was discussed.

The meetings culminated in Grass's April 27 arrest on a charge that the Rite Aid president bribed the defendant to resign from the Ohio Pharmacy Board.

In the suit, which seeks a minimum of $150,000 in damages, Rite Aid petitioned the federal court to void the contract buyout pact, valued at $69,000, that it had with Wilczynski on the grounds the agreement was an attempt to defame the company and have Grass arrested.

The Cuyahoga County prosecutor's office this month presented evidence to a grand jury seeking Grass's indictment on the bribery charge.

"Neither Rite Aid nor its officers ever attempted to bribe Wilczynski," the suit claimed. "Rather, Rite Aid. . . met with Wilczynski at his request . . . in order to satisfy the obligations which Wilczynski claimed Rite Aid owed him under [the contract]."

The settlement with Wilczynski involved an agreement that Rite Aid would pay $33,000, plus health benefits, to resolve a pact he had with Peoples Drug, according to termination terms spelled out in the contract.

Reached at his home last week, Wilczynski declined to comment and referred questions to David Roland, the Ohio pharmacy board's administrative assistant for legal affairs.

Roland confirmed that Wilczynski remains a board member, but he said he could not "confirm or deny" whether the state of Ohio will be handling Wilczynski's defense.

The suit alleges that Wilczynski initiated meetings with Grass in which he told the Rite Aid president he didn't like Rite Aid and didn't want to work for the drug chain.

"When Grass expressed concern to Wilczynski about Rite Aid's retaining a consultant. . . who was also a sitting member of the pharmacy board and who was so anti-Rite Aid, Wilczynski asked Grass if Grass thought that Wilczynski should resign from the pharmacy board," the suit says.

It says that Grass offered the defendant two options. He could stay on as a consultant and "remain a member of the [board] until his term either expired or was not renewed."

Or, Rite Aid would buy out the contract and "Wilczynski would also agree to resign from the. . . board at an unspecified future date," the suit says.

Dominick's plays hard ball with Chicago's hypermarket suppliers

NORTHLAKE, Ill. — Dominick's Finer Foods was quick to respond to reports that Auchan was seeking special deals from suppliers for its first Chicago-area hypermarket, which opened May 3. Dominick's immediately fired off a letter to all its major suppliers, warning them that any vendor who responded to Auchan's request for exclusive store-opening deals would be billed by the food and combo store chain for similar price breaks.

"Any vendor or supplier who responds positively to any of the hypermarket operator's new-store demands and who had this offer available in 1988," the letter warned, "will promptly receive an invoice from Dominick's Finer Foods for our eight stores which opened in 1988."

The letter was signed by Dominick's president Daniel Josephs. In it, he noted that Dominick's had learned from some of its vendors that Auchan had made a number of demands from them, including steep price cuts on both promotional and non-promotional items for the first 12 weeks of business; free merchandise; a hefty co-op ad fee for inclusion in an in-store ad circular; and accelerated shipment schedules in the early weeks.

The letter also warned that Dominick's would keep close tabs on the hypermarket to make sure that vendors were keeping both companies on a level playing field. That effort is ongoing according to Dominick's spokesman Larry Nauman.

"We do have reps in our sales forces out looking at the store, trying to figure out . . . if there's been a special arrangement or not."

Meanwhile, he said, response to Dominick's letter has been good. "We've had a multitude of our vendors respond, saying they are honorable businessmen in their relationship with their clients, and that they aren t treating Auchan favorably in any way in their pricing.

"We're certainly hoping so. We welcome the competition, but not this kind of activity."

For its part, Auchan is taking a no-comment position. A company spokesperson did say, however, that "everything we've done has been honest and above-board, and we have nothing to hide.

"We see this as normal competition," she added.

MIDWEST REPORT
JAMES FREDERICK

Golenberg planning to head west

CLEVELAND — Revco board member Glenn Golenberg, who was been hit with a hefty fine by the Securities and Exchange Commission in early May for alleged securities violations, is planning to leave Cleveland and move to California by the end of the year.

In a statement, he alluded to "the growing number of professional opportunities . . . out West," but indicated he would maintain business ties to Cleveland, including his membership on Revco's board.

Golenberg, who heads his own investment company, was accused by the SEC of leaking inside information about Revco's pending leveraged buyout in 1986 to investors who profited from the information. Without admitting or denying guilt, he agreed to pay a civil fine of almost $470,000 and refrain from investment and securities activities for at least four years.

Golenberg's associates, including those at Revco, have generally stood by him. They point out, for instance, that his verbal slips in late '86 profited others, not himself.

Phar-Mor upgrades image with quality circulars CHICAGO — Deep-discount juggernaut Phar-Mor has turned its "Power Buying" promo theme up another notch in this market. The chain now prints its six-page newspaper inserts on high-quality, semi-slick, four-color stock.

The new circulars rival those of Walgreens for impact, and are jazzier than those of almost any Chicago-area retailer. They're jammed with price specials, full-color product photos, contest promotions and pharmacy-related messages.

A recent issue spotlighted a new pharmacy program at Phar-Mor to improve child safety in the home. "Clean out your medicine cabinet and bring an old prescription container to the Phar-Mor Pharmacy nearest you," the ad tells customers. "We'll exchange your old container for a Safe Kids Kit with product samples, safety guides and valuable coupons."

Phar-Mor has provided 700 of the kits to each pharmacy.

OPINION

These are heady days for NACDS

IN THE MARKET
BRUCE BUCKLEY

Yes, the mid-afternoon desert heat made NACDS's tent-like "oasis" seem more like a Bedouin torture chamber than a setting for serious business discussions (before the air-conditioning was fixed).

And, yes, standing downwind of the camels tethered outside the tent required a certain degree of olfactory fortitude.

But these were minor quibbles when compared to the overall sense of accomplishment at the NACDS annual meeting earlier this month at the Marriott Desert Springs in Palm Desert, Calif. Some 2,300 attendees took part in a five-day whirlwind of business and social activities with only minor hitches, a credit to the professionalism of the staff put together by Ron Ziegler.

These are heady days at NACDS. Continuing growth seems assured, as the association reaches out not only to drug chains but also to supermarket and discount department store chains with pharmacies and even to assemblages of independents with a common banner, like Medicine Shoppe. Tired old squabbles among pharmacy associations have been shelved in the recognition that coalitions mean more muscle in the legislative and regulatory wars.

The issues uniting these disparate retailers and associations are powerful. Cost containment efforts by private industry and government threaten the financial well-being of everyone engaged in the practice of pharmacy. Some estimates have third-party prescriptions eventually accounting for 70 percent of the business. If the cost-cutters continue to squeeze pharmacy margins, many retailers won't be able to survive.

A Darwinian might say that pruning out weaker retailers is a natural process, like a hurricane ripping away dead trees. But I would reply that a diversity of retail formats, big and small, is important and worth preserving. Which is why NACDS's attempts to counter the misguided efforts of some cost-cutters is so crucial to pharmacy's, and ultimately the public's, long-term health.

Hilden (left) and Skaggs acknowledge awards at NACDS business session.

* * *

At its opening business session Sunday morning, NACDS presented well-deserved awards to two industry veterans who have almost achieved the status of legends in the business. One is semi-retired but the other still very much active in the retail wars.

The association's Robert B. Begley award went to George Hilden, who managed the first Osco store in Rochester, Minn., and eventually rose to become president of the chain, which is now the industry's second largest. Hilden remains active today as a spokesman for Hallmark/Ambassador.

The second honor, the association's newly minted "Lifetime Achievement Award," was presented to Sam Skaggs. His achievements as the architect of American Stores and, more important, his brilliant innovations in the field of supermarket and drug retailing, make the award truly fitting. No one is more deserving of a lifetime achievement award than Sam Skaggs.

Third-party merits should be debated in open

WASHINGTON PERSPECTIVE
KEN RANKIN

As third-party prescription drug coverage becomes increasingly widespread, it becomes even more important for drug stores to make informed decisions on whether or not to participate in these plans.

Those decisions should be based on a number of factors, including pharmacy reimbursement levels, paperwork requirements, and promptness of payment. In addition, the number of beneficiaries in a particular market area is often a key consideration.

But another important and legitimate factor in deciding whether to participate in a particular program is the level of participation by other drug stores.

It might well be a mistake to refuse to participate in a third-party Rx program that offers low reimbursement but nevertheless manages to attract most other competing pharmacies. The drug chain or independent pharmacy that withdraws from such a program may lose considerable business to competitors.

On the other hand, it would be much less painful to withdraw from a low-paying third-party plan that had few other participants. Indeed, those are the very programs that drug stores should stop participating in. Because they underpay pharmacists, these cheap-skate programs drive up costs for private cash-paying consumers of prescription drugs.

Problem is, some people don't want drug stores to know whether or not it's "safe" to drop out of any particular third-party drug program.

The folks in charge of New York State's employee Rx plan don't want pharmacies to know this information. And the Federal Trade Commission's euphemistically-titled "Bureau of Competition" doesn't either.

That's why FTC filed antitrust charges against the Chain Pharmacy Association of New York State as well as several of its chain drug members.

According to the commission's complaint, the N.Y. chains "conspired to boycott" the state employee's Rx plan as part of an alleged plan to force up pharmacy reimbursement levels. According to the FTC, that alleged conspiracy resulted in the state abandoning plans to slash product cost reimbursement to participating chain drug stores to AWP minus 12 percent. Instead, N.Y. agreed to a somewhat less intolerable AWP-less-5 percent formula for participating drug chains.

As a result, FTC anti-trusters contend, the state was "coerced" by the chains into losing at least $7 million since mid-1986.

The entire case hinges on the FTC's allegation that the chains "conspired" to drive up reimbursement levels by threatening to boycott the New York program.

None of the activities allegedly engaged in by the chains—including a threat to withdraw from the program—would be unlawful if done independently of one another. Only if there were an agreement among the competing chains to jointly take action against the program would their actions violate the antitrust laws.

For their part, officials at the New York drug chains as well as the state association vigorously deny the existence of any such conspiracy.

How does FTC substantiate its charge? According to the complaint, the so-called "conspiracy" consisted of nothing more than "meetings" and "communications" through which the chains announced whether or not they planned to continue participating in the plan in view of the proposed reimbursement cuts.

Specifically, the FTC charged that the association "held meetings at which some respondent pharmacy firms informed other pharmacy firms that they would not participate in the proposed" N.Y. State Rx program. "Through these exchanges of information" the chains "agreed to refuse to participate in the Employees Prescription Program at the proposed reimbursement level, for the purpose of increasing the level of reimbursement offered," the commission maintained.

Is this evidence of an illegal conspiracy to thwart the federal antitrust laws? I don't think so. And neither do many people at the FTC. (Indeed, two of the agency's five commissioners voted against issuing the complaint in the first place.)

Problem is, by filing these charges, the FTC could discourage chains and independents from critically scrutinizing third-party prescription programs.

While the ultimate decision on whether to participate in any particular plan must be made independently, pharmacists can and should debate the merits of third-party programs openly.

Moreover, since the degree of pharmacy participation in a third-party plan is often an important factor, drug stores should not be barred from making their decisions public.

DRUG STORE NEWS®

is published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, NY 10022
212-371-9400
Subscription Services, ext. 379 or 419
Cable Address: LEBHAFRIED
Panafax: 212-838-9487

VP/Publisher **JAY FORBES**
Editor **BRUCE BUCKLEY**

Executive Editor **Al Heller**
Senior Desk Editor **Paul W. Cockerham**
Special Projects Editor **Elizabeth Parks**
Editor/Inside Pharmacy **Harold Cohen, R.Ph.**
Senior Editor **David Vaczek**
Associate Editor **Susan Ball**
Desk Editor **Bernadette Casey**
Field Editor **Christine Bizzarro**
Editorial Assistant **Fred Rueckher**
Bureau Editors:
James Frederick (Sr. Editor, Chicago)
Pamela Krein (Assoc. Editor, Los Angeles)
Ken Rankin (Bureau Chief, Washington)
Deane Evans (Washington)

Art Director **Bob Brokman**
Graphic Artist **Mary Lashinsky**

Assoc. Publisher/Nat'l Adv. Mgr. **JILL MANEE**

Nat'l Accounts Manager **Larry Krongold**
N.Y. Area Manager **Dan Bagan**
N.Y. Area Manager **John Kanlon**
Advertising Production Mgr. **Jack Degnan**

Circulation Director **Ken Turtoro**
Circulation List Manager **Vicki White**
Production Director **Stan Kaufman**
Research Director **Anne Frasciello**
Executive Director Circulation **Ed Nessel**

Group Publisher, *Drug Store News*
C. Reese Musgrave

Board of Advisers

Judie Doherty, McKesson Corp.
David Eisenberg Peoples Drug Stores Inc.
Don Gross Genovese Drug Stores Inc.
Gary Hendren SupeRx Drugs Corp.
Jeffrey Fantle Fantle's
Frank Newman F & M Distributors
Ron Schiff Pay Less NW
David Schwartz Perry Drug Stores
Phil Weinstein Affiliated/Associated Drug Stores
Gary Wilber Drug Emporium
Ron Ziegler NACDS

Board of Pharmacy Advisers

Ken Anderson SupeRx Corp.
Clarence Archer Wal-Mart
Marty Belitz Shoppers Drug Mart
Dick Boyd American Drug Stores
Paul DiGrazia Safeway Stores Inc.
Phillip R. Engle Bergen Brunswig Corp.
Howard Kramer K mart Corp.
Joseph Polastri McKesson Corp.
Saul Schneider K&B Inc.
Bob Shapiro Perry Drug Stores Inc.
Charles W. Trefrey NWDA
Robert King, FoxMeyer Corp.

Founder (1900-1981) **Arnold D. Friedman**

President **J. Roger Friedman**
VP/Publication Services **Barry Braverman**
Sr. VP/Group Publisher
James T. deGraffenreid
VP/Planning **Harry A. Estes**
VP/Publisher **Jay Forbes**
VP/Finance **James Granato**
VP/Human Resources **Richard D. Groberg**
VP/Editorial Director **David Q. Mahler**
Sr. VP/Group Publisher **C. Reese Musgrave**
Treasurer **Barry Okun**

REGIONAL OFFICES
Boston 1 Gateway Center, Newton, MA 02158, 617-527-6394
Regional Manager: **James Malver**
Chicago 444 N. Michigan Ave., Chicago, IL 60611, 312-644-8688
Area Manager: **Betsy Ventura**
Los Angeles 606 N. Larchmont Blvd., Los Angeles, CA 90004, 213-464-8321
Area Manager: **Tom Flavin**
Washington 117-35 Striley Drive, Ashton, MD 20861, 301-774-3895
Manager, Correspondent **Ken Rankin**
Japan Diamond-Friedman Ltd. Chain Store Age Japan 1-4-2 Kasumigaseki, Chiyoda-ku Tokyo, Japan, 504-6750

The Audit Bureau · MPA · ABP

Publisher of Drug Store News, Accounting Today, Discount Store News, Nation's Restaurant News, National Home Center News, Chain Store Age Executive (with Shopping Center Age) and *APPAREL merchandising.* Affiliates: Business Guides Inc. (Directories); Lebhar-Friedman Books; Inside Retailing (Newsletter); Chain Store Age News, Japan; Largo Music Inc.

Subscriptions
Call (212) 371-9400, ext. 379 or 419.
Having a problem with your subscription? Send us full details, including the mailing label from the last copy you received, along with your telephone number. We'll do everything possible to solve the problem at once. Write to Circulation Fulfillment Director, Drug Store News, 305 Madison Ave., Suite 535, New York, NY 10165-0079.

Permissions
Materials in this publication may not be reproduced in any form without written permission. Requests for permission should be directed to Jay Forbes, publisher, Drug Store News, 425 Park Ave., New York, NY 10022.

Ethnic merchandising

BEAUTY TRENDS

Ethnic sales up slightly, chains optimistic in 1989

Aggressive promotions and added space boost category sales

Growth in ethnic hair care sales

(For the twelve months ended Dec. 31, 1988)

Outlets	1988 sales (millions)	% change vs last year	Share of dollar sales
Drug	$161.6	5.8%	56%
Food	$ 67.0	3.6	23
Mass merchandiser	$ 59.4	22.7	21
All three outlets	$288.0	8.3	100

Source: Nielsen Marketing Services

Many chain drug retailers and ethnic distributors feel that sales of ethnic products could be better in 1989 than they were in 1988, a year of modest gains.

Their optimism is based on the facts that new stores often offer many of the products and aggressively promote the category, and stores that already enjoy heavy black traffic are devoting more space to ethnic products.

Many sources said overall sales were up almost 4 percent in 1988. Other chains and distributors said they fared better and continue to do so because of more aggressive merchandising. Best reports have the category up about 10 percent.

Nielsen Marketing Services estimates that sales last year were slightly better than flat. Nielsen also said the industry probably experienced more growth in ethnic than buyers realize. Store audits show that on a same-store basis, the category grew by almost 4 percent in units in drug stores, and nearly 6 percent in dollars.

Nielsen also notes that warehouse inventory levels for drug stores did not keep pace with sales growth. Warehouse levels were only up 2.6 percent while units were up 3.6 percent. Sources for Nielsen speculated that perhaps buyers are looking at the slowdowns in their warehouse levels and aren't realizing that the sales growth at store level is stronger.

Strongest growth segments

According to Jim Normandin, the ethnic products buyer at Beauty Enterprises, the strongest growth areas this year are: shampoos; hosiery; shaving creams; depilatories; skin creams; non-aerosol, comb out sprays; hair color; conditioners; and hair dressings.

Dan Medow, president of Standard Distributing, singled out pantyhose, men's shaving creams, hair sheens, skin tone creams, relaxers and curl/wave kits for shorter hair, and hair and scalp conditioning treatments as his strongest growth segments.

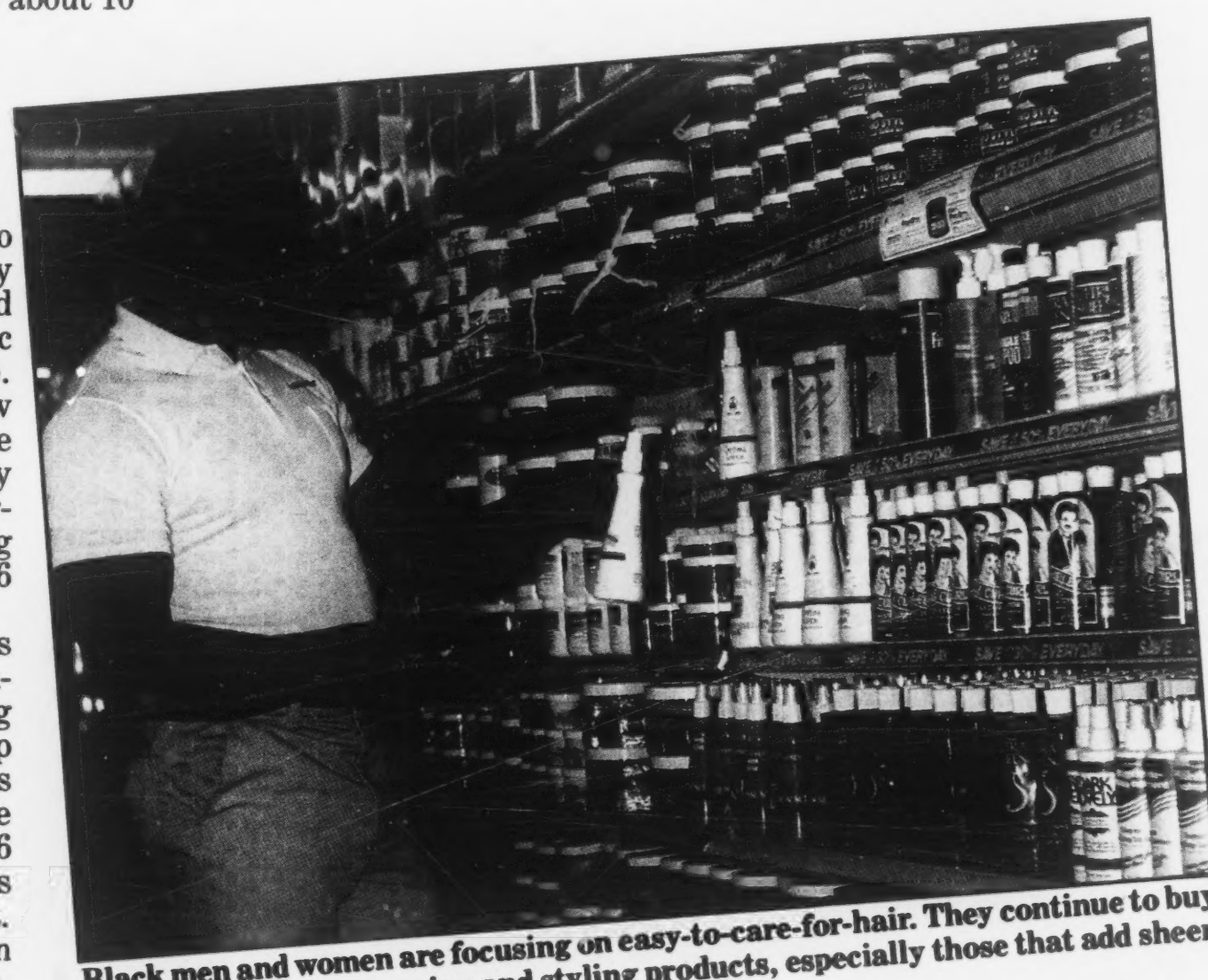
Tom Hood, vp of sales for Georgia-based Ben Sheftall Distributors, said that general relaxers as well as relaxers made specifically for men and relaxer maintenance products were his best segments.

Hood also said skin care and hosiery sales were up, with Ambi and Artra showing the most growth in skin care and Afrotique dominant in hosiery.

In Atlanta, Mike O'Neil, ethnic product buyer with Harris Beauty Supply, said that his relaxer sales were still

Continued on page 12

According to Jim Normandin, the ethnic products buyer at Beauty Enterprises, the strongest growth areas this year are: shampoos; hosiery; shaving creams; depilatories; skin creams; non-aerosol, comb out sprays; hair color; conditioners; and hair dressings.



Black men and women are focusing on easy-to-care-for-hair. They continue to buy a broad variety of grooming and styling products, especially those that add sheen to the hair.

Chains vie for share of ethnic amid increasing competition

As competition increases for the ethnic customer's attention, drug chains are trying to spark growth by paying more attention to off-shelf displays and feature prices.

"This is about the only way you can get the consumer's attention these days," said Charles Monk, Harco's ethnic product buyer.

At Perry Drug in Detroit, Steve Lund, vp of H&BA merchanding, reported that Perry was able to reverse a downtrend in sales, noticed in the first quarter, by instituting an aggressive price reduction program on Perry's Top 50 best sellers.

Other chains have also become more aggressive with their pricing, including Peoples, Harco, Walgreens, SupeRx, Eckerd, Osco, Thrift Drug and Arbor. As chains reduce prices, however, they are also reporting that margins are shrinking on the category, or at least on the price-sensitive brands that most chains use as loss leaders.

However, several sources say they were offsetting the margin erosion by "generating more traffic and higher dollar sales, as well as by buying differently." Some traditional chains, for example, are working with their distributors to buy certain items on an almost permanent promotional basis just as deep discount drug stores do. Several sources said this approach has given them an excellent price-value image at very little cost to overall margins.

Buyers say competition from low price competitors like beauty and barber shops, discount stores and deep discount drug stores has gotten so intense they have to do much more than just lower prices.

But this year, buyers say the competition from low price competitors like beauty and barber shops, discount stores and deep discount drug stores has gotten so intense for ethnic shoppers that they have to do much more than just lower prices.

"You have to show your customers that you are committed to the category and that

Continued on page 14

Top 20 items ranked by first quarter dollar sales

Rank	Brand	Size	Manufacturer
1.	Care Free Curl Moisturizer	16 oz.	Soft Sheen
2.	Care Free Curl Moisturizer	8 oz.	Soft Sheen
3.	Gentle Treatment Reg Relaxer		Johnson Products
4.	Dark & Lovely Cream Relaxer Plus		Carson
5.	Dark & Lovely Cream Relaxer		Carson
6.	Soft & Beautiful Relaxer		Pro-Line
7.	Luster Oil Moisturizer	8 oz.	Luster Products
8.	Right On Curl Activator-Bottle	16 oz.	Lustrasilk
9.	S-Curl Kit Extra Strength		Luster Products
10.	S-Curl Kit Regular		Luster Products
11.	Raveen No-Lye Creme Relaxer		Supreme Beauty Products
12.	Care Free Curl Activator	8 oz.	Soft Sheen
13.	Right On Instant Moisturizer	8 oz.	Lustrasilk
14.	Soft & Beautiful Relaxer Super		Pro-Line
15.	Revlon Realistic Kit Regular		Revlon/Roux
16.	TCB Hair/Scalp Conditioner	8 oz.	TCB, Alberto-Culver
17.	Right On Curl Activator Bottle	8 oz.	Lustrasilk
18.	Gentle Treatment Relaxer Extra		Johnson Products
19.	TCB Oil Sheen Spray 25% free	16 oz.	TCB, Alberto-Culver
20.	Care Free Curl Activator	16 oz.	Soft Sheen

Source: Standard Distributing, Inc.

Ten strongest growth segments in ethnic products

Segment	% change in dollar sales vs a year ago
Shampoos	24%
Hosiery	18
Shaving creams/depilatories	17
Skin creams	14
Non-aerosol comb out sprays	12
Hair color	12
Conditioners/hair dressers	10
Styling aids	8
Relaxers	7
Activators	3

Source: Beauty Enterprises, Hartford, Conn.

Ethnic sales up, chains are optimistic

Continued from page 11

strong, hair color was very good, and hair spray and sheen products were steadily going up.

In the Washington, D.C./Virginia region, Hollis Hill, director of sales for Harris's Mid-Atlantic markets, says oil moisturizers and relaxers are his strongest sellers. "The curl is not completely dead," he reports, "but it's clear that relaxers are now the most popular look."

In Chicago, Lou Orenstein, president of Judith Lynn Beauty Supply, also identified relaxers, conditioners, holding sprays and sheens as his fastest-growing categories.

Shampoo growth strong

Shampoos are going through a particularly strong growth curve right now, up as much as 24 percent overall this past quarter, according to Beauty Enterprises.

Sources say much of this growth is do to the launch of Soft Sheen's new Optimum Care line. Part of the line includes a high quality, 16-oz. shampoo and conditioner, and buyers tell us that for the first time "significant numbers" of black shoppers are opting to buy an ethnic shampoo rather than a popular mass brand.

Styling aids growing

With the exception of mousse, the styling aids category continued to do well this year.

However, in Oklahoma City, Kent Humphreys, one of the co-owners of Jack's Service Co., warns that some of the growth segments from last year are already starting to "max out," especially for those retailers and distributors who are "up to date" on the latest trends in this category.

"Everyone's brought out a gel in the last 24 months," he says. "These aren't high-ticket items and they're easy to knock off, so I think for the more alert retailers and distributors, gels are close to saturation now."

What went down

In most markets, the curl kit and curl maintenance segments are still on a down trend, with most distributors estimating declines of about 6 and 8 percent, respectively.

In the Midwest, Dan Medow, president of Standard Distributing, reports that curl kit sales are now so inconsequential in his market that he doesn't even include them in his breakouts of the segments that do 80 percent of his sales.

No new styles

In California, Chuck Lewman, president of Paul's Sundries, pointed out that the ethnic consumer is no longer showing a "clear consensus about what's fashionable.

"Today," he said, "people are wearing a variety of looks. There's no one overall style to drive the business the way the curl look drove sales earlier in the decade.

"It appears as if today's ethnic consumer is opting for less time-consuming, easy-to-care-for styles," said Jim Normandin, ethnic products buyer for Beauty Enterprises.

"They're using more shampoos, more sheen and more color, but they're not going to any one trendy style or image. It's the consumers who are making the decisions out there, not the fashion world."

That's why so many chains today are paying such close attention to their mix, their in-stock levels, their off-shelf displays, their selection, and their ads.

Chains that are able to stay on top of these priorities, like Walgreens and Eckerd, have been able to generate growth in this category. Those neglecting them have suffered.

North American Beauty Services, inc.

Quality Products
Innovative Merchandising
and Service, Service, Service

The Indian is 'NO SECRET' to your customer!

MONEY HOUSE MOVES...
THE INDIAN SPIRIT SELLS!

E. DAVIS INC

MONEY HOUSE BLESSING®

North American Beauty Services, inc.

THAT'S RIGHT JUST ASK OUR SALES MANAGERS, DUANE PIPER, JERRY GLAZER AND MARVIN PARKS OR ANY OF OUR FINE NORTH AMERICAN SALES CONSULTANTS . . . AND SEE FOR YOURSELF!
PHONE TOLL FREE U.S.A. 1-800-322-6227
MD. 1-800-272-6227
P.O. Box 1720 • Glen Burnie Maryland 21061
• FAX 301-761-9079

For better profits
stock up on May 2 w/10 Deal
HERPECIN-L®
Cold Sore Lip Balm. "It Works!"
Write: CAMPBELL LABORATORIES, INC.
P.O. Box 812-A, FDR, NY, NY 10150

BEAUTY TRENDS

Ethnic merchandising

Breakout of ethnic product sales by segments

Category	% share of sales*
Curly look maintenance	28.9%
Hair/scalp conditioners	18.9
Relaxers	13.2
Pressing/styling aids	3.15
Detanglers/comb outs	2.9
Wave kits	2.9
Skin tone creams	2.6
Hair coloring	2.3
Hair sheens	2.1
Pantyhose	2.0
Mens shaving	1.8

*Based on sales trends in the Midwest region
Source: Standard Distributing, Inc.

Competition grows in ethnic market

Continued from page 11

you can provide them with the selection they want at convenient hours and convenient locations," says Lund.

One buyer said his objective for this year is "to give customers the variety they need to satisfy their various needs and to give as broad a selection of product as possible." Chains unable to stay in stock or those that are behind the times in mix are suffering with this category, he said.

"Our cosmeticians are critical to our success in this area," says a Walgreen's manager in a Chicago store. "The company spends a lot of time educating them in product benefits. As a result, they're able to make intelligent product recommendations. And they also take the time to create off-shelf displays for the products we feature each month, and that helps tremendously in creating impulse sales as well as in establishing us as consistent in our commitment to the category."

Bringing in hot items

Eckerd is also doing a good job in this category, sources said. Both distributors and store managers say Eckerd stores have been able to squeeze growth out of ethnic products by staying abreast of trends and bringing in hot items faster than competitors. Eckerd has also been known to advertise the category more, give it more off-shelf display space to back up ads, and improve its mix of planogrammed products.

Perry Drug, SupeRx, K&B, Harco Drug, Big B and Kerr Drug are also doing a good job with this category, sources said. One source for Big B attributed the chain's success to being able to "single out in-demand items ahead of the competition," and management's willingness to make a "commitment to the category in space and advertising."

A source for Harco also said her sales have been helped by her ability, on a store level, to participate in various types of traffic-building programs like consumer giveaways and radio remotes. Other chains have also done very well with shopping spree contests co-funded or sponsored by various ethnic manufacturers.

Product seminars

This year, more chains are sponsoring ethnic product seminars for their cosmeticians. In Pennsylvania, Thrift Drug has done several seminars working through Judith Lynn Beauty Supply, as has Fantle's in the Washington, D.C. market.

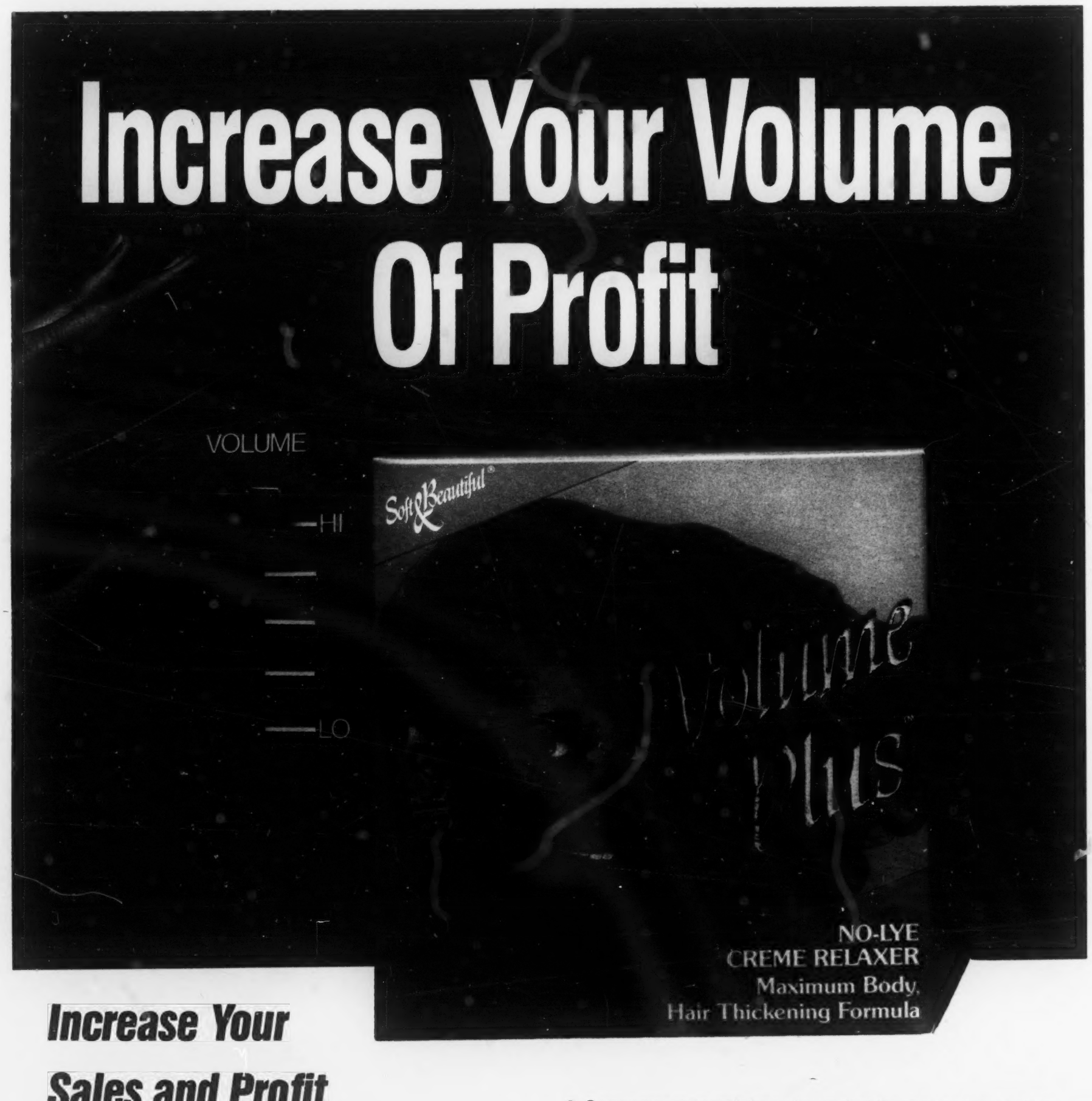
Cordie Kalafut, director of advertising for Judith Lynn, says cosmeticians react positively to the seminars. "All the cosmeticians we dealt with, black or white, were excited about getting more information," she said.

"Some clerks told us they didn't really know what a relaxer did before we gave them the seminar. Many said they came away from the afternoon with a much better idea of what to tell their customers."

In the Mid-Atlantic region, Peoples Drug is continuing to aggressively build its ethnic program in spite of much tougher competition from deep discount drug stores like Drug Emporium and F & M as well as K mart, Safeway and G.C. Murphy.

Vicki Williams, Peoples' vp of cosmetics, said the chain has definitely targeted ethnic as a key core category, adding that ethnic products buyer Errett Thomas is working on a variety of programs to make the category more visible and more attractive to consumers.

Thomas said it would be premature to comment now on the changes, but he said the category is definitely perceived as an area of opportunity for Peoples Drug Stores.



Increase Your Sales and Profit With, New Volume Plus™ No-Lye Relaxer.

The First Maximum Body, Hair Thickening Formula.

- Consumer research has shown that there is an increasing demand for products that deliver more body to the hair. Volume Plus responds to that demand.
- Volume Plus delivers a solid profit margin in a lucrative high ticket item category.
- Advertisement and promotion support:
  - — National Television - Network and Cable
  - — Spot Radio
  - — National Magazines
  - — National Outdoor

FOR MORE INFORMATION CONTACT YOUR PRO-LINE® SALES REPRESENTATIVES OR CALL OUR TOLL FREE NUMBER 1(800)527-5879

PRO-LINE CORPORATION • DALLAS, TEXAS 75212

May "De..." gives an extra 16⅔% off-invoice

HERPECIN-L®

Cold Sore Lip Balm. *"It Works!"*

Write: CAMPBELL LABORATORIES, INC.
P.O. Box 812-A, FDR, NY, NY 10150

Ethnic merchandising

BEAUTY TRENDS

Broad mix, pricing boost Perry ethnic sales

At Perry Drug, sales of ethnic products have been climbing for the past three quarters, thanks in part to a more aggressive pricing strategy and Perry's commitment to guarantee its ethnic shoppers a broad product mix that is consistently in stock.

Steve Lund, vp of H&BA merchandising for Perry, said Perry noticed a flattening in sales back in its first quarter, but the chain moved to counter the trend by reducing prices aggressively on its top 50 items and also by focusing ads on Perry's commitment to the category.

"We tell our customers that Perry is serious about ethnic hair care," said Lund, "and that approach has worked well for us."

After Perry reduced its everyday prices on key items, Lund stressed Perry's low everyday prices and product assortment in all radio, TV and print ads as well as in Perry's in-store flyers and semi-annual ethnic care sales books.

"At one point, people had the impression that ethnic hair care was not a price-sensitive category, that if your stores were where the customers shopped, they'd buy from you.

"But that's changed because ethnic hair care products are available at so many more locations now. There's also been a continuing expansion of beauty and barber shops in highly concentrated ethnic markets. They can significantly reduce prices because they usually take small locations and have small overheads. So we're pushed into a much more competitive arena with ethnic hair care," Lund said.

Working with distributor

With the price reduction, Perry also reduced margins somewhat. Lund hastened to add that he worked closely with ethnic distributor, Standard Distributing, and they were able to maintain overall margins close to 30 percent.

"Everything we buy comes from Standard," he said. "There're in our stores at least once a week servicing the department, and in high-volume stores, we have a full service program with them.

"I don't have anyone on my staff who really knows that business," Lund says. "For us to stay on top of that department, I'd practically have to add another buyer."

M & M Products to be acquired by Boston's BML Associates

BOSTON — M & M Products Co., the Atlanta-based manufacturer of Sof-N-Free relaxers and Stay-Sof-Fro relaxers, will be acquired by a black-owned holding company based here, BML Associates.

McKenzie

McBride

Terms of the agreement were not released, but at press time, Cornell McBride, president and ceo of M & M, was estimating the acquisition should be made final before the end of June.

McBride and Therman McKenzie, the chairman and chief operations officer for BML, said the acquisition would not disrupt M & M's relationships with its customers.

Lafayette Jones, former executive director of the American Health and Beauty Aids Institute, helped work out the agreement. Jones is now president and ceo of Smith, Jones and Associates, a marketing firm that specializes in corporate acquisitions and association management.

Jones

Ethnic hair introductions

Brand	Manufacturer	Launch date	Comments
Long Aid Dyna-Sheen Oil Sheen Dyna-Set Holding Spray	Keystone Labs	2nd '89	Sheen & styling duo
Pro-Line Weave Re-Nu	Pro-Line Corp.	1st '89	New maintenance and conditioning system for weaved hair
Nature's Isogro	All Ways Natural	1st '89	A super penetrating daily hair/scalp treatment
Enriched Castor Oil	All Ways Natural	1st '89	Maximum strength hair and scalp conditioner for daily use.
Short Cuts Salon Styling System	Be Natural Beauty Products, Pantresse, Inc.	1st '89	A 7 SKU line designed to enhance the look of precision cuts: 2 relaxers and 5 styling aids
Long Aid's Ultra Group	Keystone Labs	1st '89	3 new hair protectors: Bergamot Ultra Hair Protection Lotion; Nutrition Ultra Dry Hair Conditioner; Sulfur Lotion Medicated Hair Lotion
Promesa	Sterling Cosmetics	1st '89	5 SKU line of hair and skin care products for the Hispanic market
Palmer Lite Pink Mink Oil	E.T. Browne	1st '89	Line Extension
Ultra Sheen Soft Touch Scalp Conditioner/Hair Dress	Johnson Products	1st '89	Line Extension
Ultra Sheen Soft Touch Bergamot	Johnson Products	1st '89	Line Extension
Lite Nature's Super Gro	All Ways Natural	4th '88	Line Extension
Optimum Care	Soft Sheen	4th '88	New line of maintenance and styling products. Support includes $1 million print and TV campaign.
Long Aid	Keystone	4th '88	New packaging. Line extensions: Aloe Vera Gel Light & Dry Conditioners; K7 Oil Moisturizers; Relaxed Hair Manager Light Conditioners
Dark & Lovely Cholesterol Conditioning Treatment	Carson Products	2nd '88	Adds shine & manageability to relaxed or color treated hair
Dark & Lovely Reviving Colors	Carson Products	2nd '88	1st conditioner for women who relax their hair Revives color, adds sheen & conditions the hair.
Let's Jam	Modern Research Labs	2nd '88	Alcohol-free styling gel
Finisheen	Revlon Professional Products	2nd '88	Line Extension: Conditioning Hairdress in two new formulas.
Queen Helene	General Therapeutics	2nd '88	Line Extension: Cholesterol Creamy Hair Conditioner
Weather Wear	Posner	2nd '88	Styling aids for any weather
All Ways Natural Nature's Super Gro	All Ways Natural, Inc.	1st '88	Natural ingredient hair & scalp treatment.
Tight'N'Up	Attitudes Unlimited, Modern Research Labs	1st '88	Ultra fine spray for maximum hold.

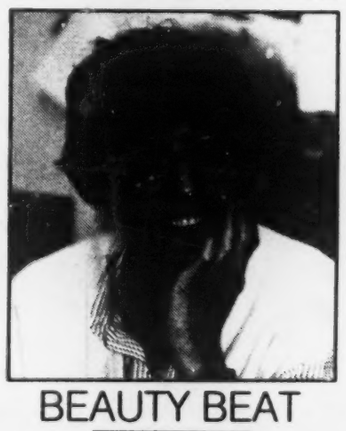
Source: Drug Store News survey

Revco introduces its first Health, Beauty and Fitness Expo

Revco has expanded its annual Fitness Expo into the company's first Health, Beauty and Fitness Expo. The show, which at press time was slated for May 19-20 in the Cleveland Convention Center, was timed to run in conjunction with Revco's 12th annual Revco-Cleveland Marathon and 10,000 Meter Run.

Bob A. Newmark, Revco's vp of advertising and sales promotion, described the show as "the biggest of its kind in Cleveland." He said it broadened the scope of the drug chain's annual fitness expo by including the health and beauty aid products and services.

More than 125 exhibitors from Cleveland and throughout the United States were signed up for event. Revco planned to set up exercise demonstrations, hairstyling and makeovers, and special health, fitness, diet and nutrition programs at the show. It was also set to give away free product samples and cents-off coupons.



BEAUTY BEAT

ELIZABETH PARKS

In addition, more than 5,000 square feet was to be devoted to free health screenings, such as cholesterol tests, provided by Revco and area hospitals.

APEX Creations of Buffalo, N.Y. was managing the show, free to the public and open from noon to 7 p.m. on Friday, and 10 a.m. to 7 p.m. on Saturday. Newmark estimated the expo would draw from 50,000 to 70,00 people, including many of the 12,000 participants in the annual marathon and 10K races also set for that weekend.

He added that he could think of "no better time than the marathon weekend to promote Revco's total 'look good, feel good' commitment to health and wellness."

Revco is the latest drug chain to decide to sponsor a health and beauty aids expo. Peoples Drug started the trend nearly four years ago, and since then a number of drug chains have either copied the idea or broadened their own annual fitness expos to include health and beauty aids products and events. Other chains that have run some form of beauty expo include Eckerd, SupeRx, Thrifty, Fay's, and Harco Drug.

* * *

Promising reports on Noxell intro Early reports on Noxell's introduction of its new Clarion line of skin care products and on Cosmair's introduction of the new L'Oreal Plenitude line are promising.

Cosmetics buyers told *Drug Store News* that the Clarion skin line, which started rolling out in the first quarter of this year, is doing "very well." Some deep discounters said the wall unit doesn't hold enough merchandise for the sales their stores can generate.

Meanwhile, chains that have had Plenitude in test markets like Atlanta are reporting that sales so far have been strong. Most buyers say they plan to keep Plenitude in their H&BA skin care sections where they'll merchandise it next to Neutrogena and Olay. However, they also plan to do secondary locations with prepacks in cosmetics.

Clarion, on the other hand, is strictly a cosmetics line, usually merchandised on the wall next to the Clarion color collection. The color collection itself is also performing well. Buyers say that Noxell's new ad campaign for the line, which highlights the use of the Clarion computer in making a color section, has been "very successful."

FINANCIAL

Med Shoppe's revenues and net earnings increase for 2nd qtr. & six months

ST. LOUIS — Medicine Shoppe International increased net earnings 27 percent and revenues 21 percent for the second quarter ended March 31.

Net earnings were $1.7 million, compared with $1.3 million for the like quarter a year ago. Net earnings per share were up 28 percent, to 32 cents, from 25 cents the year's previous quarter. Revenues rose to $7.1 million from $5.9 million.

For the six months, net earnings were $3.4 million, up from $2.6 million for the comparable period last year. Six-months revenues increased to $14.2 million, compared with $11.6 million.

Sales to franchisees gained 22 percent for the quarter and 27 percent for the six months.

Medicine Shoppe opened 18 units during the second quarter. Thirty-six stores opened during the first six months, compared to 39 units opened during the whole of fiscal 1988.

"Our new program of converting independent drug stores to Medicine Shoppes has been well received and appears to be an excellent source for substantial openings in the future," stated Jerome F. Sheldon, president.

Franchised pharmacies reported total retail sales of $107.1 million for the second quarter, a 16-percent gain over the $92.2 million reported for the comparable year-ago period. Total retail sales also rose 16 percent for the six months. Franchise fees were up 18 percent for the quarter and 17 percent for the six months, compared last year's periods.

HSI in black for 1st 6 mos. for '89

CINCINNATI — Hook-SupeRx reported results in the black for the first six months of 1989, despite asset depreciation charges and debt costs associated with its leveraged buyout.

HSI reported to the Securities and Exchange Commission that it produced net earnings of $7.4 million in the second quarter ended Feb. 28 (including Christmas), compared with $4.9 million in last year's second quarter.

HSI had posted a $6.6 million loss in the 1989 first quarter and a loss for the 1988 year. The losses stemmed primarily from debt costs and charges from writing down assets. Cash flow has been adequate, it said, ending the first half with $8.1 million in cash.

Sales for the second quarter ended Feb. 28 were $460.0 million, including $114.3 million from Brooks Drug. That's 44.0 percent above the $319.3 million in sales during last year's comparable period. Excluding Brooks, sales rose 8.3 percent, including a 7.1-percent gain in same-store sales.

Six-month sales for the 1,047-store chain were $873.4 million, or 46.3 percent above last year's first half.

Arbor Drugs in 3-for-2 stock split; quarterly 4-cent dividend declared

TROY, Mich. — Arbor Drugs has declared a 3-for-2 stock split effective June 15, 1989, to shareholders of record as of May 25, 1989. The chain also declared a quarterly cash dividend of 4 cents per share following the split.

"Today's actions demonstrate our confidence in the future of Arbor Drugs and our commitment to enhancing shareholder value," said chairman Eugene Applebaum. "By increasing the number of shares outstanding, we expect to improve the liquidity of Arbor's stock in the marketplace."

Arbor now operates 86 drug stores in Michigan. Its stock price has climbed from a low of $7.25 to roughly $24 in the past 15 months.

Restructuring charges contribute to FoxMeyer's $27.7M loss for '89

PITTSBURGH — FoxMeyer Corp. had an operating loss of $27.7 million in fiscal 1989, due primarily to charges from its restructuring this year, parent National Intergroup reported.

Sales for the year ended March 31 at the drug and general merchandise wholesaler grew 16 percent to $2.6 billion, helped by the purchase of Zahn Drug Co. of Chicago, NI said.

The Dallas-based company posted fourth-quarter operating income of $1.9 million on sales of $728.6 million, compared with $6.7 million operating income on sales of $588.3 million in last year's fourth quarter.

NI said total fourth quarter corporate net income was $2.7 million, compared with a $30.4 million net loss in last year's fourth quarter. Fourth quarter sales were $862.1 million versus $707.9 million in last year's comparable period.

NI's companies include the Permian Corp., National Aluminum, and an equity stake in National Steel Corp.

For the full year, NI posted a $15.7 million net loss, compared with a $20.6 million net loss a year earlier.

Fiscal 1989 sales were $3.1 billion compared with $3.2 billion in 1988.

		STOCK PRICE							EARNINGS/SHARE			P/E	DIVIDENDS	
		From 04/28/89 - 05/15/89								Latest 12 Months vs Preceding 12 Months Change				
					Change		52-Week		Last Fiscal Year			Latest P/E Ratio	Indicated Dvd. Rate	
Name	Symbol	High	Low	Close	Amt.	Pct.	High	Low		Amt.	Pct.		Amt.	Yield
-	-	$	$	$	$	%	$	$	$	$	%	-	$	%
Chain Store transactions														
Am Stores	ASC	62.00	59.88	60.38	-1.75	-2.82	65.00	47.63	2.54	-1.65 f	-39.4	23.8	1.00	1.7
Arbor Drugs	ARBR	24.75	20.75	24.25	3.50	16.87	24.75	11.00	1.05	.32 s	35.2	19.7	.16	.7
Big B	BIGB	11.63	11.13	11.25	.38	3.45	15.88	10.75	.91	-.03 f	-3.2	12.4	.16	1.4
Fay's Drug	FAY	11.75	11.00	11.75	.63	5.62	12.00	8.00	.73	.32 f	78.0	16.1	.20	1.7
Genovese Drug	GDX	12.88	11.63	12.50	.63	5.26	12.88	8.75	.83	.20 f	31.7	15.1	.22	1.8
Longs Drg Strs	LDG	37.50	35.50	37.00	.88	2.42	38.50	33.63	2.75	.42 f	18.0	13.5	.88	2.4
Medicare Glaser	MGCO	5.75	5.75	5.75	.00	.00	5.88	1.88	-.10	-.23 n	-100.0	NE	.00	.0
Medicine Shoppe	MSII	29.50	28.00	28.63	.13	.44	29.50	20.75	1.11	.30 s	31.6	22.9	.10	.3
Perry Drug	PDS	11.63	10.50	10.50	-.75	-6.67	13.50	5.25	-3.14	.18 q	NE	NE	.00	.0
Rite Aid Corp	RAD	35.75	33.00	34.00	-.75	-2.16	39.00	29.13	2.30	-1.11 f	-32.6	14.8	.82	2.4
Walgreen Co	WAG	40.75	37.63	40.00	1.50	3.90	40.75	27.13	2.10	.43 s	22.4	17.0	.68	1.7
Wholesaler's transactions														
Alco Hlth	AAHS	24.25	23.50	24.13	.13	.52	30.25	18.75	1.55	-.11 q	-7.4	17.5	.06	.2
Bergen Bruns	BBCA	28.75	27.25	28.38	-.38	-1.30	30.25	18.75	1.78	.69 s	67.9	12.9	.32	1.1
Bindley Wstn	BIND	8.38	8.13	8.25	.13	1.54	10.00	6.63	.58	.22 q	68.8	15.3	.00	.0
Cardinal Distrb	CDIC	22.25	21.00	21.00	-.75	-3.45	22.25	12.84	1.21	.48 n	45.7	13.7	.08	.4
Durr Fillauer	DUFM	21.50	19.75	21.13	1.13	5.63	21.50	11.88	.92	.09 q	9.7	20.7	.24	1.1
Ketchum	KCH	5.88	5.63	5.88	.13	2.17	10.38	4.75	-4.73	-1.44 q	NE	NE	.00	.0
McKesson Cp	MCK	33.88	32.13	33.13	.88	2.71	35.88	29.63	2.30	.07 f	3.1	14.4	1.44	4.3
Moore Med	MMD	13.13	11.75	12.88	.75	6.19	15.63	9.00	-2.17	-4.00 q	-100.0	NE	.00	.0
Owens Minor	OMI	12.75	12.00	12.13	.00	.00	15.88	11.19	1.00	-.07 q	-7.4	13.8	.26	2.1
Manufacturer's transactions														
Abbott Labs	ABT	59.75	54.63	59.75	4.50	8.14	59.75	43.00	3.33	.53 q	18.2	17.3	1.40	2.3
Am Home Prod	AHP	94.00	90.88	94.00	2.50	2.73	94.00	70.38	6.38	.66 q	11.2	14.3	3.90	4.1
Baxter Intl	BAX	20.75	19.25	20.63	.88	4.43	22.50	16.25	1.31	.15 q	12.6	15.4	.56	2.7
Block Drugs Co	BLOCA	34.25	33.50	34.00	.75	2.26	35.50	25.75	2.29	.31 n	14.2	13.6	.64	1.9
Bolar Pharm	BLR	27.50	24.13	26.63	-.25	-.93	27.88	16.38	1.51	.45 q	41.3	17.3	.04	.2
Bristol-Myers	BMY	50.75	48.00	50.75	2.25	4.64	50.75	39.00	2.88	.38 q	14.7	17.1	2.00	3.9
Carter-Wallace	CAR	42.50	41.63	42.38	.13	.30	43.00	31.88	2.97	.47 f	18.8	14.3	.68	1.6
Forest Labs	FRX	32.38	29.75	32.13	1.88	6.20	32.38	17.25	.96	.23 n	25.3	28.2	.00	.0
ICN Pharm	ICN	6.88	6.25	6.38	-.13	-1.92	7.75	5.63	.23	1.82 q	NE	49.0	.00	.0
Lee Pharm	LPH	4.75	4.13	4.25	-.25	-5.56	7.13	3.75	-.23	.49 s	NE	NE	.00	.0
Leiner P Nutri	PLI	18.00	17.25	17.25	-.38	-2.13	18.00	9.13	.86	.10 n	10.9	16.9	.00	.0
Lilly Eli Co	LLY	58.50	52.38	58.50	4.50	8.33	58.50	36.50	2.67	.53 q	22.8	20.5	1.35	2.3
Marion Labs	MKC	27.25	24.38	26.88	1.50	5.91	27.25	15.25	.96	.39 n	44.3	21.2	.36	1.3
Merck & Co	MRK	71.13	66.75	70.75	2.50	3.66	71.13	48.78	3.05	.80 q	33.1	22.0	1.64	2.3
Morton Thiokol	MTI	47.50	44.00	46.25	.75	1.65	50.00	35.63	3.33	-.82 n	-24.8	18.6	.92	2.0
Mylan Labs	MYL	9.38	8.13	9.38	1.00	11.94	13.25	7.50	.50	-.20 f	-28.6	18.8	.10	1.1
Newport Pharm	NWPH	6.25	5.13	6.06	.81	15.48	6.56	1.75	-.45	-.42 q	NC	NE	.00	.0
Par Pharm	PRX	10.50	8.13	9.75	1.50	18.18	18.50	7.88	.99	-.12 q	-11.3	10.4	.04	.4
Pfizer Inc	PFE	64.25	61.00	63.50	1.63	2.63	64.25	48.38	4.70	.56 q	13.1	13.2	2.20	3.5
Robins, AH	QRAH	27.75	27.00	27.50	-.13	-.45	28.38	21.88	2.42	67.78 q	NE	10.9	.00	.0
Rorer Group	ROR	40.75	39.25	39.63	-1.00	-2.46	48.25	27.75	1.96	-.55 q	-21.6	19.8	.80	2.0
Scherer RP Cp	SCHC	30.25	30.00	30.13	-3.25	-9.74	33.38	18.25	.76	-.28 f	-26.9	39.6	.40	1.3
Scher Plough	SGP	67.88	64.50	67.63	-1.00	-1.46	68.63	45.38	3.48	.77 q	26.4	18.3	1.80	2.7
Squibb Corp	SQB	83.50	75.00	81.50	4.50	5.84	83.50	57.00	4.30	.85 q	23.3	18.1	2.00	2.5
Syntex Corp	SYN	47.25	44.63	46.38	1.38	3.06	48.00	32.63	2.51	.42 s	18.2	17.0	1.50	3.2
Upjohn Co	UPJ	32.38	28.88	32.13	2.88	9.83	34.50	27.00	1.90	.24 q	14.0	16.5	.88	2.7
Warner-Lambrt	WLA	90.63	86.63	90.63	1.75	1.97	90.63	59.88	5.00	.92 q	21.1	17.2	2.56	2.8
Zenith Labs	ZEN	2.50	1.50	1.75	.00	.00	2.75	1.00	-.56	-.49 n	NE	NE	.00	.0
Other Retailer transactions														
Albertson's Inc	ABS	46.75	43.13	46.38	2.00	4.51	46.75	28.75	2.44	.56 f	29.8	19.0	.80	1.7
K mart Cp	KM	38.63	37.00	37.88	-.13	-.33	40.38	31.25	4.00	.60 f	17.6	9.5	1.64	4.3
Melville Cp	MES	43.00	40.25	43.00	1.88	4.56	43.00	31.00	1.63	-1.12 q	-40.6	26.2	1.30	3.0
Penney, JC	JCP	60.00	55.50	60.00	4.25	7.62	60.00	43.50	6.02	1.91 f	46.5	10.0	2.24	3.7

All data are based on sources believed to be reliable, but its accuracy is not guaranteed.
Every effort will be made to correct errors, when discovered, in future issues.

FOOTNOTES

NA - Item not applicable to this type of stock.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.

q - First quarter
s - First six months
n - First nine months
f - Fiscal year

Data and Table Prepared by Media General Financial Services, Inc., Richmond, Virginia 23219

Drug Store News (ISSN 0191-7587) is published biweekly—every other Monday, monthly in December—by Lebhar-Friedman Inc., 425 Park Ave., New York, N. Y. 10022. Subscription rates: in-field subscribers, retailrs and wholesalers, one year (24 issues) $19.50; two years $35. Manufacturers and their representatives $45; schools, libraries and all other out-of-field subscribers $95. Single copy rate $4. Foreign subscriptions: airmail only $125 per year.

Second-class postage paid at New York, N.Y. and additional mailing offices. Copyright © 1989 by Lebhar-Friedman Inc. All rights reserved. POSTMASTER: Please send address changes to Subscription Dept., Drug Store News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. For change of address six weeks notice to Subscription Dept., 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079 is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 11, No.11 May 29, 1989